

Commerce and Trade

Adopted Adjustments (\$ in millions)				
	FY 2013		FY 2014	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2012-14 Current Budget (Ch. 3, 2012 Special Session I)	\$172.8	\$841.3	\$175.5	\$728.8
Approved Increases	0.0	0.0	11.2	0.5
Approved Decreases	<u>(2.1)</u>	<u>(0.0)</u>	<u>(4.0)</u>	<u>(0.0)</u>
\$ Net Change	(2.1)	0.0	7.2	0.5
Chapter 806 (HB 1500, as Adopted)	\$170.8	\$0.0	\$182.7	\$729.4
% Change	(1.2%)	0.0%	4.1%	0.1%
FTEs	364.44	1,294.56	370.44	1,298.56
# Change	0.00	0.00	6.00	4.00

- **Secretary of Commerce and Trade**

- *Virginia Jobs Investment Program.* Language requires the Secretary to convene a working group to determine how the VJIP program can most effectively be administered and provide recommendations to the Chairmen of the House Appropriations and Senate Finance Committees by October 30, 2013.
- *DBA and DMBE Merger Report.* Directs the Secretary of Commerce and Trade to work with the two agencies impacted by the merger occurring pursuant to the provisions of Chapter 482 of the 2013 Acts of Assembly (SB 1350) to ensure that the activities and responsibilities of both agencies are fully maintained within the new agency of Small Business and Supplier Diversity.

- **Economic Development Incentive Payments**

- *Virginia Investment Partnership Grants.* Reduces funding by \$550,000 GF the first year and \$1.5 million GF the second year for the Virginia Investment Partnership Grant Program. A number of companies have failed to meet the investment and job creation criteria set out in performance agreements. The

reduced level of funding is based on updated projections of grantees' performance.

- *Governor's Opportunity Fund (GOF)*. Language in Part 3 transfers excess balances from the GOF to the general fund in the amounts of \$5.0 million the first year and \$2.5 million the second year. The GOF has ended the past two fiscal years with balances of over \$40.0 million.

- **Board of Accountancy**

- *Increase Funding Based on Workload*. Includes an increase of \$270,755 NGF and 4.0 FTE positions the second year to address increased workload based on the growth in the number of licensed certified public accountants and enforcement cases. The funding is provided from fees assessed on CPAs.

- **Department of Business Assistance**

- *Increase Cap on Small Business Insurance or Guarantee Fund*. Language authorizes the Small Business Finance Authority to issue an aggregate of up to \$15.0 million in loan guarantees -- an increase from the cap of \$10.0 million first instituted by the 2011 General Assembly. There has been no significant increase in loan defaults since a policy was adopted to allow the Authority to leverage the amount of guarantees by up to four times the corpus in the fund.
- *Virginia Jobs Investment Program*. Reduces the administrative appropriation for the VJIP program by \$156,799 GF the second year, which represents a 10 percent cut in administrative expenses. There is no change to the amount of funding for grants from the program. Language has been adjusted to mirror requirements for funding as stated in the *Code of Virginia*.

- **Department of Housing and Community Development**

- *Fort Monroe Authority (FMA)*. Includes a reduction of \$1.5 million GF the first year but provides \$5.1 million GF the second year for operating funding as the Authority oversees the transition of the former Army base. Chapter 3 of the 2012 Acts of Assembly, Special Session I, included no funding in FY 2014 for the FMA as the General Assembly has reviewed the needs of the authority on an annual basis. The Authority is responsible for preservation, conservation, maintenance and reuse of the property, whose ownership officially transferred to the Commonwealth on September 30, 2011. A corresponding amendment in Capital Outlay provides an additional \$2.5 million the second year for maintenance reserve funding through the Department of General Services for replacement of a central pump station.

- *Housing Trust Fund.* Provides an additional \$1.0 million GF the second year for the Housing Trust Fund to provide a total of \$8.0 million GF the second year for the fund. The source of the revenue is from a settlement with mortgage loan servicers, which will be deposited into the general fund.
- *Housing Assistance Services.* Provides an additional \$500,000 GF the second year for permanent supportive housing and \$500,000 GF the second year for rapid rehousing programs.
- *Southwest Virginia Cultural Heritage Foundation.* Provides \$250,000 GF the second year for operation of the Heartwood Artisan Center, an economic development partnership between the Commonwealth and 19 counties and four cities in Southwest Virginia.
- *Southwest Virginia Medical College.* Includes \$250,000 GF the second year to be provided to the Town of Abingdon to assist in the detailed planning for construction of a proposed King School of Medicine academic facility.
- *Housing Mobility Counselors.* Includes \$200,000 GF the second year for a competitive grant program for housing mobility counselors to use in coordination with the Community of Opportunity Tax Credit. Chapter 23 (HB 2059) and Chapter 374 (SB 932) of the 2013 Acts of Assembly reduced the cap on the tax credit by the same amount creating the revenue for the grants.
- *Tinner Hill Historic Park.* Provides \$50,000 GF the second year for the City of Falls Church for a community revitalization effort.
- *Analysis of Local Fiscal Impact.* Language requires the Commission on Local Governments to assemble a task force to examine the process for analysis of local fiscal impact of bills and budget amendments pending before the General Assembly and make recommendations on how to improve the process.

- **Department of Labor and Industry**

- *Wage Investigators.* Provides \$308,206 GF and 6.0 FTE positions to reconstitute the Payment of Wage Section, which was eliminated during prior-year budget reductions. These positions are necessary to assist wage employees who have been underpaid in resolving claims against their employers.
- *Savings from Agency Reorganization.* Includes a reduction of \$159,112 GF the second year from savings resulting from an internal reorganization of the agency which assumes existing staff will fulfill additional responsibilities previously assigned to other positions.

- *Supplant Funding in Occupational Safety and Health Program.* Includes a reduction of \$134,138 GF the second year, offset by a like increase in NGF from supplanting general funds with federal grant funding.
- **Department of Mines, Minerals and Energy**
 - *Offshore Wind Energy.* Provides \$1.0 million GF the second year to match federal funding to best position the Commonwealth in attracting the offshore wind energy industry to Virginia’s coastal waters.
 - *Supplant Funding for Administrative Services.* Includes a reduction of \$109,297 GF the second year, offset by a like increase in NGF from supplanting general funds through indirect cost recovery from federal funds.
 - *Supplant Funding for Coal Mining Environmental Services.* Includes a reduction of \$50,000 GF the second year for environmental inspection and enforcement, which will be supplanted with revenue from water discharge permits.
 - *Supplant Funding for Coal Mining Operations.* Includes a reduction of \$50,000 GF the second year for coal mine licensing and miner certification services, which will be supplanted with revenue from certification fees.
 - *Supplant Funding for Mineral Mining Operations.* Includes a reduction of \$50,000 GF the second year for mineral mine permit services, which will be supplanted with revenue from mineral mine license, certification, and mining permit fees.
- **Virginia Economic Development Partnership**
 - *Defense Industry Trade Initiative.* Provides \$481,500 GF the second year for a pilot project to assist Virginia businesses that are dependent on federal government contracting to identify international marketing opportunities as alternatives for their goods and services.
 - *Reduce Agency Personnel Costs.* Includes a reduction of \$200,000 GF the second year by reducing personnel costs by not filling vacant positions upon retirements that will occur by the end of FY 2013.
 - *Reduce Discretionary Expenditures.* Reduces funding by \$55,969 GF the second year to reflect agency savings generated by reducing discretionary expenditures.
 - *Reduce Funding for Public Relations Program.* Includes a savings of \$50,000 the second year through the elimination of one planned public relations campaign.
 - *Eliminate Virginia National Defense Industrial Authority.* Includes savings of \$342,851 GF the second year from the elimination of VNDIA pursuant to

legislation adopted by the 2012 Session of the General Assembly. The savings for FY 2013 were captured in Central Appropriations.

- ***Bridge Loans and Shipping Insurance.*** Language directs VEDP to investigate options to expand the availability of bridge loans and shipping insurance for Virginia companies seeking to expand exports to overseas markets.
- ***Marketing Plan for Small and Emerging Industries.*** Language directs VEDP and other economic development agencies to work collectively to develop a marketing plan to target small and emerging industries to the Commonwealth.
- ***Major Employer Investment Project Approval Commission.*** Language included in Part 5 amends the *Code of Virginia* to require meeting materials be provided to the MEI Commission members at least 48 hours in advance of a meeting, and allows for a bifurcated process to allow the MEI Commission to have up to seven days after a meeting to endorse or reject a proposal.

- **Virginia Employment Commission**

- ***Online Job Recruitment Site.*** Eliminates a new initiative that included \$500,000 GF the second year to establish an online job recruitment site that uses social networks to match job openings with job-seekers.

- **Virginia Tourism Authority**

- ***Regional Tourism Promotion Grant Funds.*** Includes \$500,000 GF the second year to increase funding available for discretionary grants for competitive regional tourism promotion grants.
- ***Advertising and Marketing Funds.*** Restores funding for the “See Virginia First” program of \$497,544 GF the second year while language provides that available funds be directed toward increasing out-of-state advertising and electronic marketing, particularly in the Washington, D.C. market.
- ***Restore Funding for Outdoor Advertising.*** Restores \$75,000 GF the second year for the use of in-state billboards for tourism marketing that had been eliminated in the introduced budget.